

COUNTY OF FLUVANNA



ADOPTED BUDGET FY2008-2009

Prepared by:
Office of the County Administrator
County of Fluvanna
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Cover Photo

The Pembroke Petit Bridge you see in the cover photo was located on route 15 in the heart of Historic Palmyra. Due to its depreciating condition, in 2007 the Virginia Department of Transportation dismantled the structure. In its place is a newly constructed bridge with a stone façade.

On December 10, 2007, Governor Tim Kaine visited Palmyra and assisted VDOT, the Fluvanna County Board of Supervisors, Fluvanna County staff and citizens in dedicating the new bridge and conveying the Pembroke Petit title.

**Annual Fiscal Year Plan
Fiscal Year 2009**

July 1, 2008 through June 30, 2009

Prepared by:

Board of Supervisors

Marvin Moss, Chairman
Columbia District

Gene F. Ott
Rivanna District

Charles Albaugh
Rivanna District

John Gooch
Palmyra District

Mozell Booker
Columbia District

Donald W. Weaver
Cunningham District

Budget Team Staff

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June 23, 2008

**To the Honorable Members of the Board of Supervisors
County of Fluvanna, Virginia**

The following budget represents the culmination of a great deal of effort on the part of our staff and was assembled with input from our County Departments and Agencies. We believe the format of this budget document serves the information needs of our citizens by providing complete and accurate information about our budget.

GOALS AND OBJECTIVES

Budget:

- Set aside the equivalent of three cents (6.25%) of the real estate tax revenue for future debt service on the new high school.
- Maintain a reasonable County tax structure by effectively and responsibly balancing the increasing demands for services with available resources to achieve maximum value for Fluvanna County residents.
- Only use fund balance for capital projects.
- As opposed to prior years, the highest priority for the FY09 budget was to determine the best method by which to phase in the total tax impact of the new high school.

Long Term (non-financial):

- Develop a strategic plan to improve government and enhance the quality of life for our citizens.
- Facilitate the development of a quality educational environment that provides for high quality educational and job readiness skills for all Fluvanna County residents.
- Continue to promote the development of an accountable, responsive local government with demonstrated efficiency and effectiveness.

TAX RATES AND FEES

The budget for fiscal year 2009 is established on a real estate tax rate of \$0.48 per \$100. For the first time in over 30 years, the tax rate for personal property was increased; the rate was increased from \$3.70 per \$100 to \$3.85 per \$100. The machinery and tools tax remains the same at \$2.00 per \$100.

SIGNIFICANT ISSUES EFFECTING THE BUDGET

The decisions by the Board of Supervisors and the Fluvanna County School Board relative to construction of a new high school on Pleasant Grove became a primary driver of the budget goals in FY09. Fairly early on in the budget process, the Board began discussing how much money to set aside in FY09 to begin preparing for the long term debt service payments. After much deliberation, the final decision of the Board was to attempt to reduce the impact of the total future debt service on this project by increasing the tax rate incrementally and setting aside the funding. This resulted in a new expenditure line for FY09 of just over a million dollars – representing three cents of the real estate tax rate.

Another substantive change in the FY09 budget that was out of the Board’s control was the increase mandated by the Central Virginia Regional Jail (CVRJ). Initially, the net increase to Corrections & Detention was estimated at approximately \$283,000, and after receiving updated figures from CVRJ, we were able to reduce that increase to \$164,000 – still a significant increase in funding.

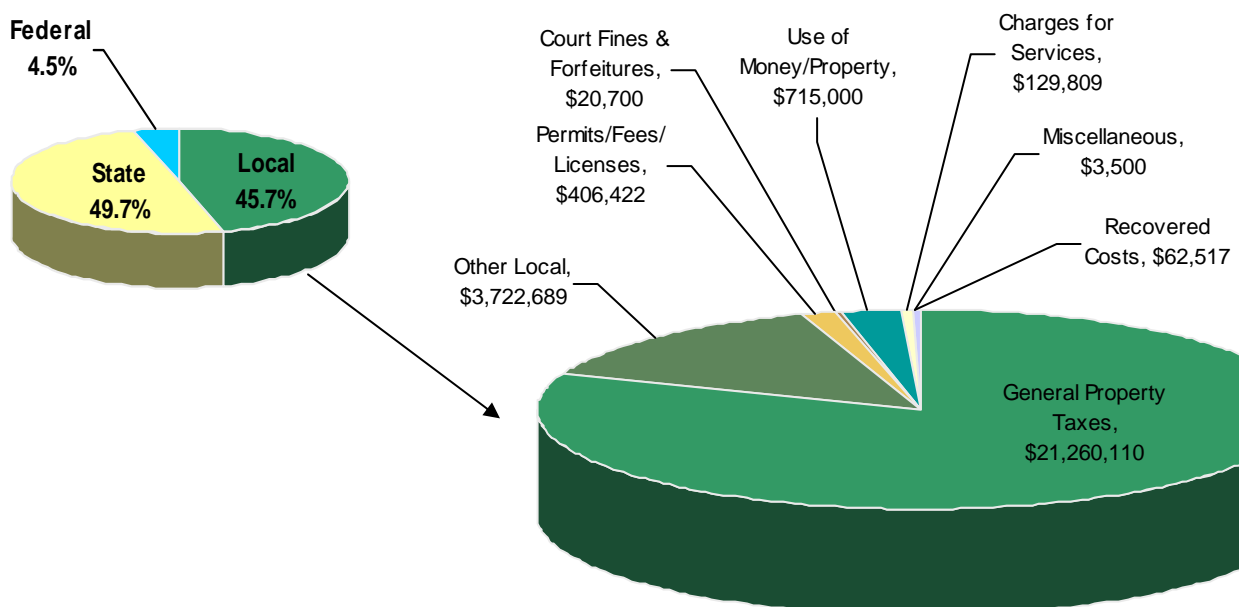
Last year, the Commonwealth changed the method by which communications taxes are collected and distributed to localities. This budget had to be created in the absence of trend data that would create confidence in current projections.

Shortly after budget adoption, the Commonwealth firmed up its numbers relative to cuts in direct local aid. This is going to create funding shortfalls that must either be absorbed in smaller increments in a number of areas, or absorbed in large part by a couple of areas. This change after the fact by the Commonwealth is going to put a strain on our budget as adopted.

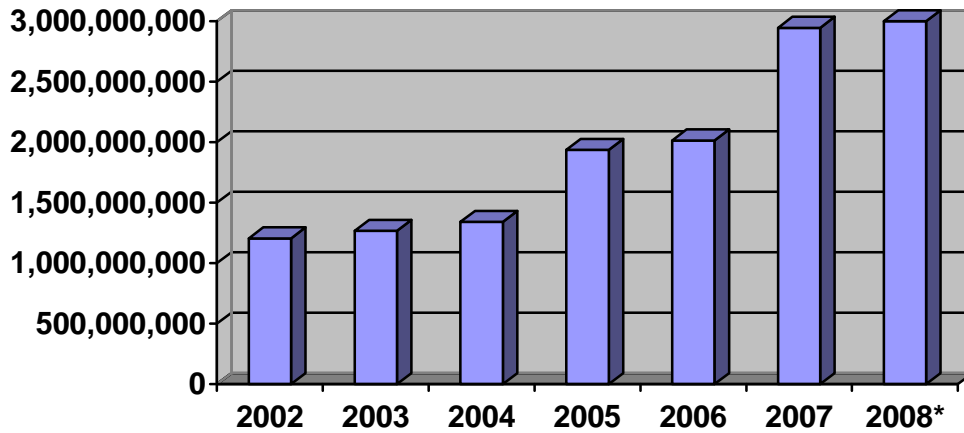
There were a number of changes or adjustments in personnel in FY09. For starters, there was a Cost of Living Adjustment (COLA) of 4% approved for all employees of the Board of Supervisors and school teachers. The COLA for the employees of the Board of Supervisors came at a cost of approximately \$216,000. In addition to COLA, the Board placed a priority on making the Sheriff’s Office and 9-1-1 Communications salaries more competitive by adding approximately \$200,000 to the budget for a combination of base salary increases and holiday pay. Other personnel changes include two new positions in Social Services and increased hours for the Code Compliance, Economic Development, and CSA clerk positions.

GOVERNMENTAL REVENUES

A significant portion of fiscal year 2009 revenues are generated from general property taxes. The graph below depicts the sources of local revenue for the County.



Real property values are shown in the graph below. In fiscal year 2009 they are projected to increase by 12% percent, and will constitute 42.2% percent of the County's revenues. The rate of increase does not reflect the rate of growth in the County, however, it reflects the increase value in property in the County.

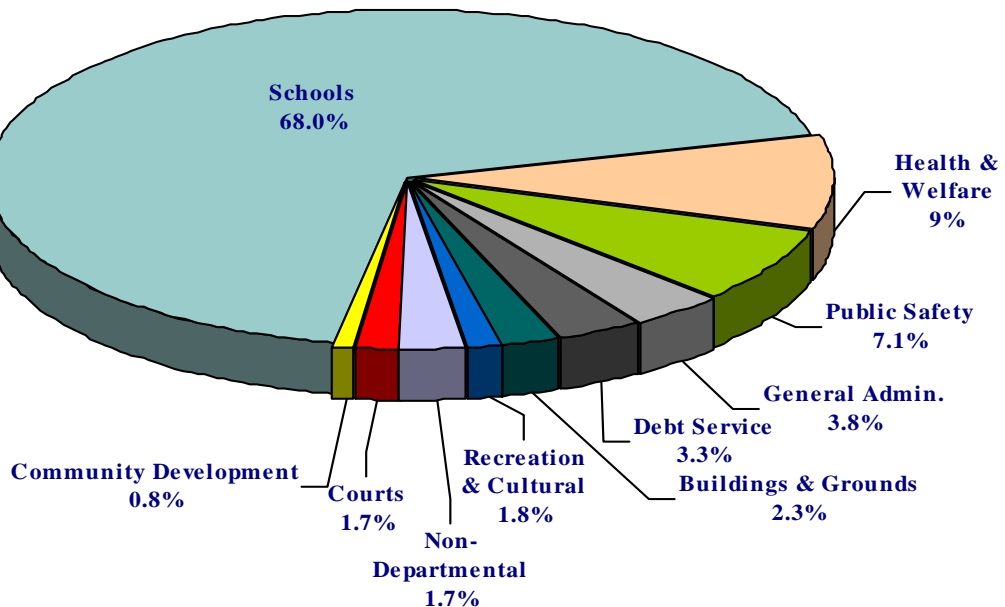


*estimated

GOVERNMENTAL EXPENDITURES

The fiscal year 2009 Budget is \$63,959,557 including \$39,216,350 for Schools and \$24,743,207 for all other funds. This represents an increase of \$2.05 million or 3.3% increase from the fiscal year 2008 budget.

Overall Operational Expenditures



The most significant increases were in the areas of Public Safety and Education. The Public Safety departments received a total increase of \$609,613 or 16.1%. Base salary increases, two additional deputy positions and holiday pay for the communications officers was appropriated in FY2009. The Schools received a 7.9% increase or \$2.87 million of which \$740,487 was an increase in local general fund appropriations.

SPECIAL FUNDS

	FY08 ADOPTED BUDGET	FY09 ADOPTED BUDGET	% INCR /DECR
CAPITAL IMPROVEMENT FUND	\$5,189,038	\$1,188,000	-77.1%
RECREATION PROGRAM FUND	\$67,900	\$60,322	-11.2%
LANDFILL	\$1,144,387	\$296,975	-74.0%
FORK UNION SANITARY DISTRICT	313,000	\$411,156	31.4%
UTILITY	59,933	\$1,636,881	96.3%
SCHOOL FOOD SERVICE	1,668,263	\$1,734,994	4.0%

The table above depicts the changes in the various special fund budgets from FY2008 to FY2009. Worth mentioning are the distinct decreases in the Capital Improvement Plan and Landfill budgets. In FY2008 the initial architectural and engineering work for the New High School was included in the Capital Improvements Plan. Additional funding for school construction projects will require new borrowings, which have not been adopted as part of the FY09 CIP budget. Hence, the significant decrease in the Capital Improvement Plan budget.

In the Landfill fund, closure reserves that had accumulated over many years were appropriated into the budget to begin the official closer process, as required by the EPA. This is not a continuous stream of revenue funding.

The Fork Union Sanitary District or FUSD anticipates an increase in service fees and rate charges as well as additional customer connections. Two additional storage tanks were constructed and brought on-line in FY2008. The construction costs were funded with grant and loan funds.

Availability fees constitute the significant increase in the Utility fund. These are fees collected by prospective customers to cover connection to the service.

COMPONENT UNIT – SCHOOL FUNDS

The County’s contribution to the Fluvanna County Public School System’s FY09 operational budget is \$15,312,827. The total School System budget for FY09 is \$39,216,350, which represents 61.3 percent of the County’s total budget, and is a 7.9 percent increase from the fiscal year 2008 budget.

Below is a table of the County's contribution to the Schools.

Year	Local Funding	% Change	Total Budget	% Change
FY09	15,312,827	5.1%	39,216,350	7.9%
FY08	14,572,340	7.5%	36,343,976	6.2%
FY07	13,550,012	3.6%	34,224,320	10.6%
FY06	13,076,906	6.3%	30,956,006	10.6%
FY05	12,304,105	3.8%	28,000,000	7.1%
FY04	11,854,001	8.0%	26,152,339	8.3%
FY03	10,973,757	11.4%	24,157,221	7.6%
FY02	9,848,849	10.0%	22,445,348	8.0%
FY01	8,955,975	6.9%	20,782,627	6.8%
Average increase:		7.0%		8.1%

CHANGES IN FUND BALANCE

Included in the fiscal year 2009 budget is a decrease in the General Fund balance of \$637,909 for non-recurring projects identified in the Capital Improvement Plan. Non-recurring expenditures are the only type generally considered appropriate for use in the fund balance. It was decided that accumulated undesignated funds should be used as opposed to raising taxes to cover these expenditures.

Also, in May 2008, the Board of Supervisors adopted an accounting change that will affect the general fund undesignated fund balance significantly. The 1st half of Tax Year 2008 revenues will be recorded in June 2008. This will create a one-time influx of cash into the general fund. In previous year the 1st half taxes were deferred to July and recorded as part of the following fiscal year revenues.

Fork Union Sanitary District, Landfill, Utility and the Recreation Program funds will also be utilizing a portion of their fund balance to cover operational spending in fiscal year 2009.

Finally, this budget is the product of many hours of hard work by the Board of Supervisors and County Staff whose contributions have led to a budget reflective of the priorities set for Fluvanna County.

Respectfully submitted,



G. Cabell Lawton, IV
County Administrator

FLUVANNA COUNTY

Non-Financial Goals and Objectives

**Developed by the Board of Supervisor's
at their
Annual Strategic Planning Meeting**

VISION STATEMENT

Fluvanna County is the most livable and sustainable community in the United States.

VALUES

Integrity, Honesty, Accountability, Respect

Additional Values

Sustainable, Innovative, Ethical, Fair, Consistent, Legal

CRITICAL GOAL CATEGORIES

1. Planning & Growth Management
2. Infrastructure
3. Funding/Fiscal Planning
4. Economic Tax Base
5. Communication
6. Recreation
7. Education
8. Human Services
9. Public Safety
10. Staffing/HR

CRITICAL GOAL CATEGORIES

COMMUNICATION

Goal	Action Steps	Due Date
Growth Managed and Compatible Zoning	BOS communicates priorities to public	3/14/2008
Growth Managed and Compatible Zoning	BOS adopts priorities	3/19/2008
Growth Managed and Compatible Zoning	Develop communication strategy	4/1/2008
Growth Managed and Compatible Zoning	Schedule follow-up meetings to review priorities	5/8/2008
Growth Managed and Compatible Zoning	Schedule follow-up meetings to review priorities	7/8/2008
Growth Managed and Compatible Zoning	Schedule follow-up meetings to review priorities	9/8/2008
Pass Zoning Ordinance by 11/30/09	Hold more public meetings for better communications	12/1/2008
Review Zoning Ordinance by 6/30/09	Regularly monitor process	12/31/2008
Review Zoning Ordinance by 6/30/09	Decide if we want to hire communications firm for community outreach and materials design	1/31/2009
Board communicates priorities to public	Contact media channels 2 weeks prior to meeting	
Board communicates priorities to public	Have Jennifer come back to help meet to continuously re-clarify priorities	

EDUCATION

Goal	Action Steps	Due Date
Build new high school	Hire a value engineering firm	4/15/2008
Build new high school	Report due	5/15/2008
Build new high school	BOS and School board review	6/15/2008
Build new high school	Decide if we want to recommend hiring a construction management firm	6/15/2008
Build new high school	Decide what type of financing	6/15/2008
Build new high school	Get bond rating	8/1/2008
Make decision whether to hire CM firm by 6/15/08	Provide architect with list of potential CM firms	9/1/2008
Build new high school	Borrow \$	10/31/2008
Make decision whether to hire CM firm by 6/15/08	Determine where \$ will come from for added cost to contract	10/31/2008
Make decision whether to hire CM firm by 6/15/08	Joint meeting with school board to reinforce that BOS does not want to run project	

FISCAL/FINANCIAL PLANNING

Goal	Action Steps	Due Date
Get Bond rating by 8/1/08	Allocate funds to obtain rating	3/31/2008
Get Bond rating by 8/1/08	Implement accounting change to move deferred revenue to fund balance	5/1/2008
Growth Managed and Compatible Zoning	Create strategy to improve rating	5/15/2008
Growth Managed and Compatible Zoning	Get bond rating	8/1/2008
Growth Managed and Compatible Zoning	Clarify funding for high school	10/31/2008

INFRASTRUCTURE - WATER

Goal	Action Steps	Due Date
Clarify funding of Pipeline	Meet with Timmons & P-L Committee so BOS understands the facts	3/16/2008
James River Pipeline	Pick a date for public hearing	4/1/2008
James River Pipeline	Hold public education meeting	4/3/2008
Clarify funding of Pipeline	Talk with known customers	4/30/2008
James River Pipeline	Route	5/1/2008
James River Pipeline	Partnership	5/1/2008
Clarify funding of Pipeline	BOS meets to decide pipeline	5/1/2008
Clarify funding of Pipeline	Meet with partners to quell disagreement	5/1/2008
Clarify funding of Pipeline	Hold community meeting so public understands plan	5/30/2008
Clarify funding of Pipeline	Meet with customers to discuss possible funding sources	6/1/2008
Clarify funding of Pipeline	Meet with partners	6/1/2008
Clarify funding of Pipeline	Collect data based on cost and useage	8/15/2008
James River Pipeline	Authority	9/1/2008
Clarify funding of Pipeline	Compute rates by using study data	9/1/2008
Clarify funding of Pipeline	Work with EDC	10/1/2008
Clarify funding of Pipeline	Get bonds	10/1/2008
Growth Managed and Compatible Zoning	Clarify funding for pipeline	10/1/2008
James River Pipeline	Funding	11/1/2008
James River Pipeline	BOS makes decision	12/1/2008

PLANNING & GROWTH MANAGEMENT

Goal	Action Steps	Due Date
Hold 5 regional meetings by 9/30/08	Planning staff begins and preps early	3/15/2008
Pass Comp Plan by 1/7/09	Hold joint mtg with Planning Comm. Clarify process & develop timeline	3/20/2008
Pass Comp Plan by 1/7/09	Interview and select a consultant for the Comp Plan	4/1/2008
Growth Managed and Compatible Zoning	Staff preps implementation chapter	5/1/2008
Hold 5 regional meetings by 9/30/08	Schedule dates early	5/1/2008
Hold 5 regional meetings by 9/30/08	Publicize meetings regionally with church	5/1/2008
Growth Managed and Compatible Zoning	Board reviews Comp Plan	5/31/2008
Hold 5 regional meetings by 9/30/08	BOS and Planning Commission commit to attend regional meetings	6/1/2008
Hold 5 regional meetings by 9/30/08	BOS and Planning Commission ID community members to invite	6/1/2008
Growth Managed and Compatible Zoning	Review zoning ordinances	6/30/2008
Growth Managed and Compatible Zoning	Hold 2 joint planning meetings with Planning Commission	7/31/2008
Growth Managed and Compatible Zoning	Hold 5 regional meetings	9/30/2008
Growth Managed and Compatible Zoning	Comp plan passed by BOS	1/7/2009
Review Zoning Ordinance by 6/30/09	Impact 2009 General Assembly session	2/2/2009
Review Zoning Ordinance by 6/30/09	Contact elected officials in Richmond	2/2/2009
Growth Managed and Compatible Zoning	Pass zoning ordinances	11/30/2009

SUBSTANABILITY

Goal	Action Steps	Due Date
Sustainability	Hire professional	10/1/2008
Sustainability	Research project	10/1/2008
Sustainability	Acquire funding	10/1/2008
Sustainability	BOS approval	10/1/2008